

Allocations and Lettings – Taking Customer Choice Forward in England?

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ABSTRACT *A step change has taken place in allocations policy in England with the recent adoption of choice-based letting (CBL). This centres on a customer-oriented approach with households responding to adverts. It requires the customer to indicate preferences based on social housing market information as opposed to landlords dictating an offer of a vacant property based on a measure of need. Innovative schemes by social housing organizations in the late 1990s provided the foundation for subsequent endorsement by the government. There have been many reasons for its adoption, including a greater customer orientation, tackling low demand, building sustainable neighbourhoods and improving organizational efficiency. Initial evaluation suggests positive benefits from the customer perspective of the lettings process (e.g. transparency), compared with traditional bureaucratic rationing systems. Nevertheless, there have been concerns on, for example, the impact on vulnerable groups and the extent to which CBL contributes to sustainable communities. More fundamentally, CBL operates within the constraints of national policy and local housing markets. It radically alters the allocations process but by itself it cannot rebalance high and low demand housing markets.*

KEY WORDS: Social housing, allocations, choice-based lettings

Introduction

Choice-based letting (CBL) has increasingly influenced the social housing allocations agenda in England since the late 1990s.¹ There has, however, been a lack of understanding of the impact of its adoption for housing policy and its relationship with choice as part of welfare state ‘reform’. This paper, therefore, critically assesses the factors that contributed to its adoption and considers how it might be taken forward as part of the modernization of government and the public sector.

There is a lack of a succinct definition of CBL with most of the literature focusing on detailed processes and procedures. The key themes are that there should be better information for ‘home hunters’, more openness about what properties become available for letting, and greater transparency about who gets each property and why

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(Brown *et al.*, 2000, p. 51). CBL is a radical step change compared with traditional bureaucratic rationing approaches in offering customers greater relative choice. It can be regarded as one end of a continuum of choice in lettings with small-scale incremental changes at the opposite pole. These small-scale modifications include marketing difficult-to-let properties on a first come first served basis, and the setting up of common housing registers so that there is a single housing waiting list covering all of the social housing landlords in an area.

The shift from traditional points-based approaches and incremental changes to a system based on the 'Delft model,' pioneered in the Netherlands, has been significant. The first district-wide scheme was launched in early 2000 in Harborough (a rural local authority area in the east Midlands). By 2003, nearly 80 local authorities in England claimed to be using a CBL approach (Brown *et al.*, 2005). Schemes are operating in a range of housing market situations including high and low demand as well as in urban and rural locations. The Office of the Deputy Prime Minister (ODPM) set targets in April 2002 that 25 per cent of local authorities should operate such a system by the end of 2005 and 100 per cent by 2010. In January 2005, the government reaffirmed these targets as well as giving a commitment to operate a nationwide scheme by 2010 (ODPM, 2005). It also pledged to explore extending the scheme to the private-rented sector and to low-cost home ownership. We explore the future trajectory for CBL in more detail in the final section.

The government's policy aims were originally set out in its consultative Green Paper (DETR & DSS, 200, p. 12). This emphasized four objectives – offering choice, tackling social exclusion, helping to create sustainable communities, and encouraging the effective use and management of social housing. Each scheme has set its own priorities based on the views of local stakeholders and the nature of the local housing market. Evaluation studies have not been prolific, but there has been a single overall review published by the ODPM in 2004 as well as a limited number of specific studies on individual schemes. The commitment to evidence-based policy-making, as set out in government's mantra of 'what matters, is what works', is, thus, questionable on CBL. Targets were set in 2002, which were considerably in advance of the results of the overall evaluation study commissioned by the ODPM. The emphasis of the evaluation became one of 'what detailed policies and procedures work best' rather than 'whether the four key objectives were being achieved'. There has, thus, been a plethora of good practice guidance on taking forward CBL produced by the ODPM and other agencies.

Broader conceptual research on customer choice in lettings has generally been absent. There has been relatively little discussion on the relationship with the wider debate about choice and public services as part of the modernizing government agenda. There has also been few if any studies on the links with the broader realm of 'new public management'. As Mullins and Pawson (2005) note, despite two decades of 'public sector reform', social housing allocations remained immune from the choice debate until the end of the 1990s.

The focus of this paper is, therefore, twofold. We consider the evaluation findings in the development of CBL in England, and this forms the fourth section of the paper. The penultimate section briefly discusses the relationship between the changes in the allocations system and broader debates on housing policy. We set the context by outlining the changing nature of the allocations system in the next part of the paper. This is followed by a review of the difficulties of defining CBL, its characteristics and the broader concept of 'choice' in allocations and lettings. Finally, we speculate on the likely way forward for social housing allocations.

Overview of Social Housing Allocations in England

Allocations and lettings is one of the key tasks for social housing organizations. In 2002/03, local authorities and housing associations in England let 432,000 properties. How these are let and to whom are, therefore, of fundamental concern. The Housing Act, 1996 (as amended by the Homelessness Act, 2002) together with additional advice in the form of, for example, a Code of Guidance provides the framework. It establishes that each local authority should publish an allocation scheme that must give reasonable preference to certain groups in housing need, e.g. households with a particular need for accommodation on medical or welfare grounds. It also highlights that local authorities and housing associations must balance need and customer choice. This focus on need can be traced back to the Cullingworth Report. This recommended that need and fairness should be central to allocations policies (Central Housing Advisory Committee, 1969). It contributed to a shift towards points-based systems that became dominant by the 1990s. In a survey of local authorities and major housing associations in England and Wales, Brown *et al.* (2000) found that over 85 per cent used a points-based system. This research also indicated that two-thirds of respondents in early 2000 did not intend to offer greater choice in the future (see below). This was partly because organizations cited a range of examples of incremental policy changes that already contributed to relatively greater customer choice, particularly preference for geographical areas, non-penalization for declining reasonable offers and a fast-tracking process for letting low-demand properties. But, nearly 60 per cent of respondents were undertaking, or intended to start within 12 months, a fundamental review of their allocations policies and procedures. The reasons for reconsidering lettings systems centred primarily on changing patterns of housing need (44 per cent), creating sustainable communities (27 per cent) and improving organizational performance e.g. reducing voids and relet periods (14 per cent).

These inter-related findings reiterated conclusions in a number of research studies from the mid-1980s onwards. The implications of changing patterns of needs had been identified by Page (1993) in his work on housing associations. He highlighted that prioritizing applicants on needs-based criteria contributed to problem estates, as vulnerable households would increasingly be rehoused in relatively low-demand neighbourhoods. This reinforced earlier research by, for example, Clapham

and Kintrea (1986) in their study on council housing in Glasgow. These and other studies contributed to a growing concern that points-based approaches contributed to or even caused social exclusion by concentrating vulnerable people in the poorest estates (Social Exclusion Unit, 2000). Overall, as Cowan (1999) points out, the outcomes of allocations partly depended on how power was exercised through bureaucracies, including discretion by officers, in determining needs and differential access to knowledge among existing and potential tenants.

The response to the concern about traditional allocations policies in the 1990s was a series of initiatives. These included improved co-ordination between councils and housing associations through, for example, the setting up of common housing registers, community lettings policies to help build sustainable neighbourhoods by allocating properties on criteria other than needs, and the promotion of cross-boundary moves through national mobility schemes. However, the most significant development has been the upsurge of interest in CBL. Yet, as we have already pointed out, over 60 per cent of local authorities and housing associations in early 2000 did not intend to offer greater choice to applicants. The reasons for this shift were numerous and inter-related. They involved both top-down and bottom-up factors. The former included changes in government policy and regulations as well as external funding opportunities through the pilot programme – a carrot and stick approach! The latter included changing patterns of demand for social housing, corporate commitments to customer-centred services, and examples of successful policy transfer of the Delft model.

Four overlapping phases can be identified in the development of CBL. First there was the awareness and innovation stage in the late 1990s associated with an understanding of the development of the 'Delft model' in the Netherlands and the potential for policy transfer to Britain. It was informed by evaluative research of the Dutch approach by Kullberg (1997) and speculative articles on its application to Britain (see Hunt and Kullberg, 1998). In addition, the professional body for housing managers in the UK, the Chartered Institute of Housing, took an interest by funding a study on allocations and lettings (Brown *et al.*, 2000). The outcome was that by early 2000 there were two schemes being delivered including the first district-wide CBL system covering the entire social rented stock in the Harborough area. The primary reasons for the adoption of CBL varied, with Harborough emphasizing the importance of an applicant-centred perspective as part of a broader corporate shift in the late 1990s towards the effective development and delivery of customer services. This contrasted with the scheme in Mansfield, Nottinghamshire, that focused on tackling low demand and building more sustainable neighbourhoods (see Brown *et al.*, 2001). The second phase relates to the active involvement of the government in England, which in April 2000 issued a discussion (or 'green') paper on housing (DETR and DSS, 2000). It made reference to the work of Harborough District Council as well as indicating that a pilot programme would be developed. The government subsequently launched this competitive bidding scheme to encourage innovative thinking. Over 90 responses

were submitted by local authorities and their housing association partners and the outcome was that 27 were selected to run pilot schemes for a two-year period between 2001 and 2003. As well as the pilots, the government commissioned evaluative research by the Universities of Bristol and Cambridge along with an advice and support service that was run from 2001 to 2004 by the Centre of Comparative Housing Research at De Montfort University in Leicester (see <http://www.choicemoves.org.uk>). The third overlapping stage centres on the implementation of CBL. As well as the pilots, an increasing number of councils and housing associations, not involved in the experimental programme, developed CBL schemes. By mid-2003, over 20 per cent of local authorities self-assessed themselves as operating a scheme. This covered just over 30 per cent of the local authority stock in England, i.e. approximately 750,000 dwellings, and approximately 10 per cent of the housing association stock, i.e. 150,000–200,000 properties. The fourth and final stage centres on the current wider roll out of CBL. The government wishes, first, to see each local authority area having a comprehensive and integrated scheme, and second the adoption of sub-regional and regional approaches with a view to moving towards a national scheme by the end of the decade (Brown *et al.*, 2005).

What is Choice-Based Letting?

As we have already pointed out, there is no straightforward and succinct definition. There has also been no formal statutory attempt to clarify what is meant by the term. The government Green Paper commented that local authorities had considerable scope under existing legislation to adopt ‘customer choice-based lettings systems’ (DETR & DSS, 2000). The Homelessness Act, 2002, and the associated code of guidance emphasized a more general principle

... allocation policies for social housing should provide choice wherever possible while continuing to meet housing need... this is the best way to ensure sustainable tenancies and build settled and stable communities. (ODPM, 2002a, paragraph 5.3)

Interim guidance for local authorities in England on how to meet the government’s targets was subsequently provided (ODPM, 2002b). But its status was advisory, as is more recent advice published by the Office of the Deputy Prime Minister (Brown *et al.*, 2005). This focuses on seven interlinked principles (see Figure 1). First, customers have the responsibility to bid for advertised properties. Second they need to be informed on the popularity of properties and areas (i.e. social housing market information) as well as third the features of the advertised home and its neighbourhood. Fourth vulnerable households often need support and priority to avoid losing out through this system. Fifth, landlords wish to maximize the use of their stock and there will normally be eligibility criteria on the adverts so that household size matches property type. Selection criteria, where there is more than one valid bid, are based

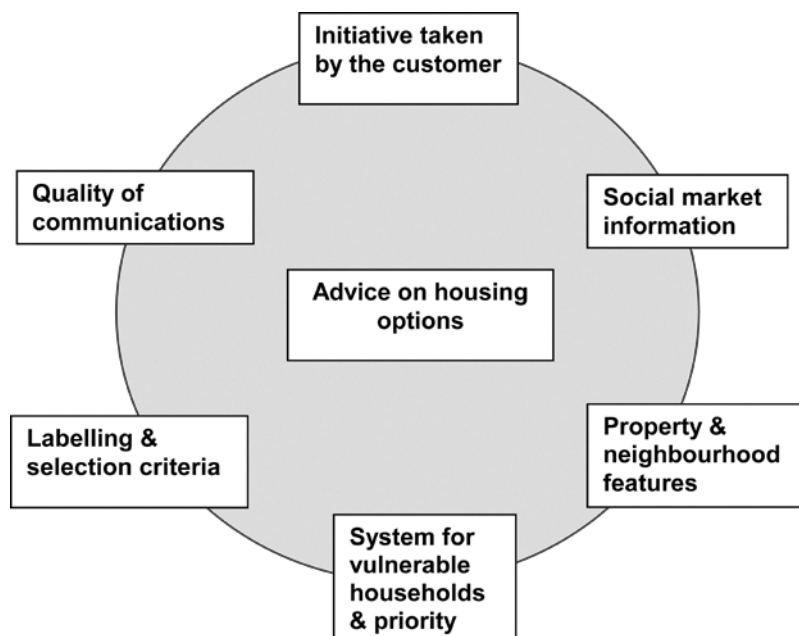


Figure 1. The principles of choice-based letting.

on a simplified approach to needs. Sixth, communication with customers is crucial and involves a range of options, e.g. newspapers, telephone and the internet. Seventh underpinning each of these principles is the need for advice on CBL as well as on other options to meet customers' housing demands, e.g. opportunities in the private rented and owner occupied sectors.

One of the reasons why the ODPM published this advice was to clarify its position on the targets that it set in 2002. Schemes should meet each of these seven criteria as part of an integrated CBL system that covers all of the social rented stock in an area. Initiatives that, for example, focus on marketing low-demand properties or do not provide broader customer advice on housing options are inappropriate, while those that cover a small geographical area, a few property types and/or involve only a few social landlords do not meet government requirements.

There is, however, a debate on the merits of incremental modifications to existing allocation systems to provide relatively greater choice. For example, as Brown *et al.* (2000) note, traditional schemes can be altered so that applicants who refuse offers are not penalized, i.e. the abandonment of 'limited offer policies'. This shows that it is necessary to avoid the false dichotomy between CBL and the traditional allocation system of suggesting that the former provides choice and the latter provides no choice.

Similarly, it is important to dismiss a further related myth that that CBL does not take account of need while traditional allocation systems focus on need.

The legal framework, nevertheless, remains unclear. The government has published guidance but its status is advisory. The primary legislation (e.g. the Housing Act, 1996, as amended by the Homelessness Act, 2002) emphasizes the broader principle of choice and that this must be balanced with taking account of need. As Cowan and Marsh (2004), in their review of two legal cases, point out, the Court of Appeal has generated a number of questions about the implementation of CBL within the existing legal framework. Basically, the primary legislation remains focused on local authorities taking account of relative need, while the CBL advice centres on pushing forward a customer choice agenda. As the government has frequently pointed out in its guidance, it is up to individual local authorities to satisfy themselves that they are meeting statutory requirements. Although this enables schemes to be developed to reflect local circumstances and avoids an over-prescriptive focus by the government, it does not sit easily with the targets set by the ODPM (see above) or the advisory requirement that local authorities should adopt CBL.

Evaluating Choice-Based Lettings

The government has commented that it places considerable weight on evidence-based policy-making within the theme of 'what matters is what works' (see Sanderson, 2002). But, as has already been pointed out, it was committed to moving forward on CBL prior to the completion of the review of the pilot schemes. The ODPM's evaluative research has, therefore, been geared towards the 'how?' rather than the 'why?' of CBL. Similarly, studies of specific schemes have centred on learning the lessons on how they are developed and operated so as to lead to service improvements. There appears to be an unwritten rule that a fundamental questioning of the concept of choice in lettings is not on the agenda of the government or social housing organizations. However, there continues to be a small but steady stream of reports that raise underlying concerns. The House of Commons Public Administration Select Committee carried out an investigation into 'choice, voice and public services'. It concludes:

The introduction of choice-based lettings has eased the process by which tenants are matched with suitable accommodation and has enabled tenants to take more control. However, there are limits to the amount of popular housing available, and tenants' first choices often cannot be met. The limitations as well as the benefits of such schemes need to be recognised. (House of Commons Public Administration Select Committee, 2005, p. 66)

The House of Commons Select Committee on the Office of the Deputy Prime Minister, in its report on social cohesion, recommended a review of CBL to mitigate or reverse the tendency for freedom of choice to lead to greater segregation (House of Commons

Select Committee on the Office of the Deputy Prime Minister, 2004). The ODPM has commissioned a further long-term study on the impact of CBL and has placed initial attention on the implications for black and minority ethnic communities. Even so, it has re-emphasized existing targets and continues to promote the roll out of the system more widely. Implicitly, the focus for the government is on how to improve the operation of CBL. It is, therefore, useful in reviewing the research and evaluation findings to distinguish between operational issues (i.e. the 'how?'), the achievement of CBL aims, the relationship to the broader housing policy framework, and the choice and public sector management agenda. The latter is dealt with in more detail in Brown and King (2005). This section, thus, focuses on the operational- and aim-orientated evaluation while the next part of the paper centres on broader housing and public policy issues.

From an operational perspective, there is a small but growing amount of research. A national evaluation of the government's pilot programme (ODPM, 2004) has been published, while a number of specific studies have been commissioned by local authorities and housing associations (e.g. Brown *et al.*, 2004). The focus is generally on, first, the process of designing CBL schemes, second the degree to which aims and objectives have been achieved, and third the outcomes for customers and communities. The former has generated guidance on managing change within social housing organizations so that the CBL can be built into the organizational culture as well as the use of project management methods and techniques to ensure that schemes are delivered on time and within budget.

In setting up CBL schemes, a number of potential benefits have been identified. These include, first, contributing to building sustainable communities, second improving organizational performance (e.g. reducing voids and cutting relet times), third tackling low demand, fourth meeting the needs of vulnerable households and last providing a customer-centric system. The evaluation findings support those that are available from Dutch studies (see Kullberg, 1997, 2002; Van Kempen and Idamir, 2003). In relation to the customer-orientated objective, there is a wealth of evidence that applicants prefer CBL compared to more traditional bureaucratic approaches. Relative satisfaction rates of 80 per cent of respondents who are able to compare CBL processes with the previous systems are not uncommon (see, for example, Brown *et al.*, 2002). They particularly value the transparency, openness and fairness, though there is a degree of dissatisfaction with the allocations outcomes in high demand areas, i.e. CBL improves the quality of the process from a customer perspective but is incapable of responding to unbalanced housing markets. The evaluation of the ODPM pilots usefully summarized this point:

Customers tended to welcome the transparency of the CBL approach even those that realised they were unlikely to get a property . . . Yet, the experience of repeated unsuccessful bidding can be disheartening and frustrating . . . Some applicants saw CBL as the source of the problem . . . However many saw the

problem as a shortage of supply, rather than with CBL itself. (ODPM, 2004, p. 10)

This reinforces Dutch findings that while customers prefer the Delft model, it does not necessarily result in any significant changes in the outcomes (see Van Kempen and Idamir, 2003).

From an organizational efficiency perspective, the majority of the pilot schemes found that voids and relet times improved (ODPM, 2004). It should, however, be noted that reasons for this performance cannot exclusively be linked to the adoption of CBL. In a number of cases, improvements were achieved by re-engineering the lettings process as a whole. For example, one scheme adopted a policy whereby the top three matching households would be invited to view a property after the selection stage. This represented a significant change from pre-CBL systems, where a sequential approach was used starting with the household in highest need. Crucially, such an approach could have been implemented as part of a traditional bureaucratic system without recourse to the development of CBL.

In relation to meeting the needs of vulnerable households, the ODPM study (2004) notes that a majority of the pilot schemes had failed initially to put in place appropriate policies. It re-affirmed that housing organizations must decide on detailed procedures, such as either the use of priority cards or bands to ensure that vulnerable households have opportunities to access suitable social housing. However, of equal importance, were, first, the availability of housing advice and support services, and second joined-up thinking with the social services department, health agencies and voluntary sector organizations (see Brown *et al.*, 2005). Nevertheless, a tension continues to exist. On the one hand, there is a requirement to meet the housing needs of vulnerable groups but, on the other hand, from a housing management perspective, social housing landlords continue to wish to avoid a concentration of such households on particular estates. The use of estate profiling as a means of establishing community lettings strategies is being used to attempt to achieve more balanced neighbourhoods. But this may be at the expense of meeting the needs of vulnerable households as well as limiting the degree of choice.

The aim of contributing to building sustainable communities through CBL has been enthusiastically supported by policy makers. The rationale is that customers who have exercised relatively greater choice in selection of a property and a neighbourhood are more likely to input their social capital leading to lower turnover rates and greater neighbourhood satisfaction levels. However, the aim is somewhat illusory as there are many other factors that contribute to sustainable neighbourhoods. Indeed, as many CBL schemes have been operating for a relatively short period, there is a lack of robust evidence. A longitudinal study over an extended period of time is required, involving quantitative methods focusing on indicators such as relets as well as qualitative research on the degree to which individual households contribute their social capital to neighbourhoods. Linked to this issue has been an emerging debate

on the degree to which CBL reinforces segregation in relation to black and minority ethnic communities. There have been claims that CBL reinforces patterns of social segregation (see above). But this can be contrasted with other reports that counter this suggestion (e.g. Robinson *et al.*, 2004). There is evidence from one of the pilots that CBL linked with a broader strategy for achieving community cohesion can achieve positive results. In the Bradford scheme there was a 70 per cent increase in the number of black and minority and ethnic households on the council housing register and a 70 per cent increase in the number of black and minority ethnic households taking up tenancies in the social rented sector. This, however, does not necessarily prove that CBL contributes to social cohesion – merely that the strategy has contributed to an increase in interest in council housing by black and minority ethnic households. There has, as yet, not been the equivalent of the study by Van Kempen and Idamir (2003) that considers the impact of allocations on Moroccan households in two cities in the Netherlands – one operating a Delft model and one running a more traditional system. Although the outcomes in terms of letting were similar, households preferred the openness and transparency of the Delft model.

Our overall conclusion from this small but emerging body of evaluation is that the advantages and disadvantages of CBL depend on specific circumstances, such as local aims and objectives, the nature of the social housing market, and detailed policies and procedures. Even so, CBL radically changes the process by which customers (rather than applicants or clients!) can access social housing. There is compelling evidence that this is contributing to an improvement in the quality of the process from a consumer perspective. It is, however, less clear that it is enhancing product quality as allocations and lettings cannot be seen in isolation from the broader housing and public policy framework. Although initiatives, such as meeting the decent homes standard by 2010 in the social rented stock, and the modest increase in the scale of provision of affordable housing provision, are to be welcomed, the imbalance between supply and demand in many local housing markets, makes choice a practical impossibility for many customers.

Choice and Housing Policy

So far, this paper has adopted a relatively narrow focus on allocations and lettings. The intention in this section is to locate CBL within a broader framework. Both Brown and King (2005) and Marsh (2004) note that there has been an absence of broadly based conceptual research on ‘choice’ and ‘need’. Implicitly, CBL makes assumptions about applicant behaviour – for example, it is thought that customers will either accept the status quo because of the transparency that CBL offers or modify their search patterns in high pressure social housing markets and subsequently respond to adverts in less popular neighbourhoods. There is growing evidence that customers adopt a cautious conservative approach and are reluctant to modify their search patterns, even in cases where detailed market information is readily available (see Brown *et al.*,

2004). Moreover, there is an assumption of an 'active customer' taking responsibility for resolving his/her housing issues. The evidence suggests that vulnerable households and their carers, in particular, may require considerable support (see above) if they are to be proactive in the lettings system. Furthermore, while customers support the process of making choices, the lack of appropriate property in the correct location leads to frustration (see ODPM, 2004). Indeed, as in the Netherlands (see Kullberg, 1997, 2002), a paradox is emerging of the 'bewildered customer' who is fed increasing amounts of information on the options available none of which precisely meet his/her requirements.

More generally, CBL needs to be located within a broader set of social housing reforms instigated by the Labour Government, including rent restructuring and housing benefit. It has recently been announced that it intends to introduce legislation that will replace housing benefit with local housing allowances. It is anticipated that this will eventually enable households to make trade-offs between spending on rents and other living expenses. Customers will also be able to make more informed choices on social housing, as rents in an area will eventually be similar for comparable types of properties irrespective of landlord. Making these choices will be operationalised through CBL. Of course, policy development and implementation is not straightforward and this long-term vision is unlikely to materialize until the next decade.

The concept of customer-oriented services with an emphasis on greater choice is, however, not unique to social housing. It is a reoccurring theme of the government 'modernization' agenda. There is an emerging literature on choice in public services that critically explores these issues, often citing examples from CBL. It includes Lent and Arend (2004), the Audit Commission (2004), the Local Government Association (2004), and the House of Commons Public Administration Select Committee (2005). The government has increasingly highlighted the links between CBL and the broader modernization agenda. The Green Paper (DETR and DSS, 2000) focused primarily on choice in housing but, by 2004, government ministers were emphasizing the connections with wider reforms. This represents a shift in the debate on housing. As Brown and King (2005) note, choice and housing in the Green Paper in 2000 was a continuation of themes within the Conservative Government White Papers in 1987 and 1995, where the emphasis was on owner occupation as the tenure that enables choice. The Labour Government reinforced this point about choice and owner occupation. But it took the concept a stage further by promoting choice within the social rented sector through CBL, rent restructuring and reforming housing benefits (see above). It now is locating CBL within the broader framework of choice and public services. Raynsford (2004), the former Housing Minister, commented:

Public services do not occupy some parallel universe where normal patterns of behaviour are miraculously suspended. People who have choice will walk away from services – whether public or private – if they believe they are not being treated properly. . . .(p. 14)

and

The more progressive local authorities and registered social landlords are developing choice-based lettings systems which do engage applicants positively and enable them to make informed choices. Visiting the Housing Advice Centre in Camden and seeing on-screen images of the properties which are available to rent as well as details of the qualifications which applicants are likely to need to be able to opt for such a property, is a wholly different experience to that in other areas where the 'don't call us, we'll call you if your name comes to the top of the waiting list' culture still reigns. (p. 15)

Moving Forward

Evaluative research suggests that the CBL process has generally delivered a positive step change from the customer perspective. Transparency, fairness, straightforwardness and the ability to exercise choice (even if this is highly constrained in high-demand social housing markets) are continually highlighted. Detailed procedures and policies on how to better develop and deliver CBL are in abundance. Nearly 25 per cent of councils and their association partners have this type of system and the government is committed to extending CBL.

The ODPM has identified three themes as the future building blocks (see Brown *et al.*, 2005). It, first, wishes to see the development of sub-regional and regional models. Wide-ranging benefits are envisaged, including efficiency gains and enabling customers to consider the option of longer-distance moves through a single system. Second, prominence is given to a housing-options approach. The underlying principle is that customers can make more informed decisions if they are provided with a wider range of advice for tackling their housing requirements. Third, stress is placed on the benefits of information communications technology (ICT). From the customer perspective, more and better information can be provided and transactions can be carried out online, while from an organizational perspective the emphasis is on efficiency gains, i.e. a single CBL administrative system covering a number of local authority areas and many social housing organizations.

In each case, progress is being made but fundamental challenges remain. There are already a number of sub-regional schemes in operation, including three in London. Locata covers five boroughs in west London, Home Connections operates in central and north London, and the East London Lettings Company works across three local authority areas. There are proposals to merge the latter two schemes, while there are also discussions on a pan-London scheme. Nevertheless, it is unclear whether the primary driver is efficiency gains achieved through a single back-office operation or customer requirements (i.e. the ability to respond to adverts anywhere in the sub-region or region). Indeed, there is strong evidence that customers generally respond only to property adverts in their own neighbourhood. Moreover, local authorities in

high demand areas, such as London boroughs, are highly reluctant to open up their social housing market as the emphasis is on meeting 'local' needs.

The housing options approach is being enthusiastically developed in high-demand areas. The lack of suitable properties in neighbourhoods where customers want to live coupled with the continuing slow progress in providing new additional social housing has already created frustrations and tensions with CBL schemes (see above). Promoting other options, such as private renting and shared ownership, has been put forward by the government, while some schemes are adopting a proactive approach on sustaining existing tenancies through, for example, money advice services, disabled facilities grants and tenancy support. A joined-up approach that links proactive housing advice and support with CBL is to be welcomed. It, however, does not resolve the bigger issue of imbalanced housing markets. Is this development little more than 'rearranging the deckchairs on the titanic'?

The enthusiastic adoption of ICT as part of the CBL principle of improving communications is particularly evident. There is, for example, widespread use of interactive websites where customers can obtain detailed information about properties (floor plans, photographs and virtual viewing) and neighbourhoods (schools, health centres and public transport) as well as carrying out transactions (e.g. making bids for properties). In addition, text messaging systems have been developed allowing details of properties to be sent to customers who can immediately respond by making a bid. Nevertheless, there are challenges. Information overload for the customer has already been referred to in the previous section. More importantly, ICT may reinforce social exclusion. A digital divide exists with many surveys indicating that only between 10–20 per cent of households in the bottom income deciles having access to the internet at home. Although most commentators suggest that this problem will gradually be eliminated, other divides are emerging. For example, a broadband divide exists between users who are able to access internet at enhanced speeds to download information and carry out transactions and those using traditional dial-up technology. Much of the information on properties and neighbourhoods, including maps and photographs, consists of large files that traditionally take time to download. Will, therefore, CBL system reinforce or tackle these new digital divides?

Of course, the choice agenda for allocations does not exist in a vacuum. National housing policy, the future of public services and central–local relations influence its trajectory. The government's five-year housing strategy (ODPM, 2005) has emphasized a commitment to enable more tenants to exercise a 'choice' to exit the social-rented sector and enter the bottom rung of the owner-occupation ladder but, at the same time, also promoting choice within the social-rented sector. Customer choice, an enabling role for government, and efficiency savings are key characteristics.

The evidence from choice and lettings reinforces the view of Hood and Peters (2004) that research needs to move from descriptive mapping towards an analysis of the paradoxes. This could usefully inform a better understanding of reforms. Tensions are evident within the debate on the future of CBL. For example on the one hand,

there is a commitment to a community leadership and a strategic enabling role for councils in meeting government targets. But, on the other hand, the shift towards regional models suggests potentially a marginalized role for local authorities.

Note

1. In Scotland and Wales there has been less emphasis on the adoption of CBL. In the former, the National Assembly has placed more emphasis on the development of common housing registers, while, in the latter, the Welsh Assembly Government has partly funded a number of pilot schemes.

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